

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

TRANSMITTAL OF FINANCIAL REPORTS AND  
CERTIFICATION OF COMPLIANCE WITH  
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR

THE PERIOD ENDED: 1/31/25

In re:

Case Number: 24-31912-jda

**COST LESS DISTRIBUTING, INC.,**

Chapter 11

Debtor.

Hon. Joel D. Applebaum

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<u>✓</u> Operating Statement	(Form 2)
<u>✓</u> Balance Sheet	(Form 3)
<u>✓</u> Summary of Operations	(Form 4)
<u>✓</u> Monthly Cash Statement	(Form 5)
<u>✓</u> Statement of Compensation	(Form 6)
<u>✓</u> Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 5 of the Operating Instructions and Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) YES X NO       

3. That all post-petition taxes as described in Sections 9 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current. (If not, attach a written explanation) YES X NO       

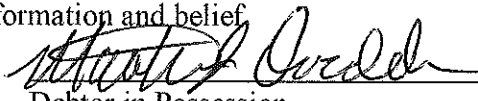
4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES        NO X

5. All United States Trustee Quarterly fees have been paid and are current. YES X NO       

6. Have you filed your pre-petition tax returns. (If not, attach a written explanation) YES X NO       

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct to the best of my information and belief

Dated: 2/19/25

  
Debtor in Possession

VP.  
Title

810.625-9528  
Phone

Form 1

**OPERATING STATEMENT (P&L)**  
 Period Ending: 1/31/25  
 Case No: 24-31912-jda

	Current Month	Total Since Filing
Total Revenue/Sales	\$481,662.32	\$1,809,062.66
Cost of Sales	\$277,788.95	\$1,041,027.43
GROSS PROFIT	\$203,873.37	\$768,035.23
EXPENSES:		
Officer Compensation	\$10,000.00	\$24,000.00
Salary Expenses other Employees	\$77,845.45	\$266,644.61
Employee Benefits & Pensions	\$4,565.96	\$11,245.18
Payroll Taxes	\$8,431.85	\$33,180.01
Other Taxes	0	\$1,575.96
Rent and Lease Expense	0	0
Interest Expense	0	0
Insurance	\$1,759.31	\$10,880.97
Automobile and Truck Expense	\$6,809.93	\$18,180.10
Utilities (gas, electric, phone)	\$5,511.50	\$17,598.11
Depreciation	0	0
Travel and Entertainment	\$1,275.91	\$2,640.29
Repairs and Maintenance	\$2,469.24	\$11,360.97
Advertising	\$1,001.68	\$29,438.01
Supplies, Office Expense, etc.	\$8,799.82	\$75,423.89
Other Specify <small>Rebates, Bank Fees &amp; Credit Card Fees, computer &amp; Internet</small>	\$14,841.05	\$45,541.25
Other Specify <small>Shipping &amp; Donations</small>	\$35,348.25	\$129,821.68
TOTAL EXPENSES:	\$178,659.95	\$677,531.53
NET OPERATING PROFIT/(LOSS)	\$25,213.42	\$90,503.70
Add: Non-Operating Income:		
Interest Income		
Other Income		
Less: Non-Operating Expenses:		
Professional Fees		
Other		
NET INCOME/(LOSS)	\$25,213.42	\$90,503.70

Form 2

## BALANCE SHEET

Period Ending: 1/31/25

Case No: 24-31912-jda

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
<b>ASSETS:</b>			
Cash:	\$70,695.26	\$217,622.20	
Inventory:	\$431,097.00	\$277,533.65	
Accounts Receivables:	\$190,167.12	\$192,822.80	
Insider Receivables	0	0	
Land and Buildings:	\$800,000.00	\$500,600.00	
Furniture, Fixtures & Equip:	\$398,327.00	\$398,327.00	
Accumulated Depreciation:	(\$26,963.00)	(\$26,963.00)	
Other:			
Other:			
<b>TOTAL ASSETS:</b>	<b>\$1,863,323.38</b>	<b>\$1,559,932.65</b>	
<b>LIABILITIES:</b>			
<b>Post-petition Liabilities:</b>			
Accounts Payable:			
Rent and Lease Payable:			
Wages and Salaries:			
Taxes Payable:			
Other:			
<b>TOTAL Post-petition Liabilities</b>			
<b>Secured Liabilities:</b>			
Subject to Post-petition	\$376,292.84	\$376,292.84	
Collateral or Financing Order	\$1,164,016.86	\$1,164,016.86	
All Other Secured Liabilities			
<b>TOTAL Secured Liabilities</b>	<b>\$1,540,309.70</b>	<b>\$1,540,309.70</b>	
<b>Pre-petition Liabilities:</b>			
Taxes & Other Priority Liabilities	\$12,372.69	\$12,372.69	
Unsecured Liabilities:	\$1,243,547.23	\$1,243,547.23	
Other:			
<b>TOTAL Pre-petition Liabilities</b>	<b>\$1,255,920.42</b>	<b>\$1,255,920.42</b>	
<b>Equity:</b>			
Owners Capital:	\$1,000.00	\$1,000.00	
Retained Earnings-Pre Petition.	(\$931,906.74)	(\$1,237,297.47)	
Retained Earnings-Post Petition.			
<b>TOTAL Equity:</b>	<b>\$1,863,323.38</b>	<b>\$1,559,932.65</b>	
<b>TOTAL LIABILITIES</b>	<b>\$3,728,136.86</b>	<b>\$4,034,527.59</b>	
<b>/AND EQUITY</b>	<b>(\$1,864,813.48)</b>	<b>(\$2,474,594.94)</b>	

Form 3

# SUMMARY OF OPERATIONS

Period Ended: 1/31/25

Case No: 24-31912-jda

## Schedule of Post-Petition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/Deposits</u>	<u>Ending Balance</u>
Income Taxes Withheld:				
Federal:	0	\$6,695.00	\$6,695.00	0
State:	\$2,253.47	\$2,982.60	\$2,253.47	\$2,982.60
Local:				
FICA Withheld:		\$4,654.85	\$4,654.85	0
Employers FICA:		\$4,654.85	\$4,654.85	0
Unemployment Tax:				
Federal:	\$84.00	\$443.66	\$84.00	\$443.66
State:	\$350.00	\$2,244.69	\$350.00	\$2,244.69
Sales, Use & Excise Taxes:				
Property Taxes:	\$11,000.00			\$11,000.00
Workers' Compensation				
Other: Medicare		\$1,088.65	\$1,088.65	
TOTALS:				

## AGING OF ACCOUNTS RECEIVABLE AND POST-PETITION ACCOUNTS PAYABLE

Age in Days Post Petition	0-30	30-60	Over 60
Accounts Payable			
Accounts Receivable	\$132,317.68	\$51,625.71	\$6,223.73

For all post-petition accounts payable over 30 days old, please attach a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

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Form 4

## Period Ending: 1/31/25

Period Ending: 1/31/25

Case No: 24-31912-jda

	General Acct.	Payroll Acct.	Tax Acct.	Cash Coll. Acct	Petty Cash Acct.
A. Beginning Balance	\$217,622.20				
B. Receipts (Attach separate schedule)	\$484,749.84				
C. Balance Available (A + B)					
D. Less Disbursements (Attach separate schedule)	\$631,380.78				
E. ENDING BALANCE (C - D)	\$70,695.26				

**ATTENTION:** Please enter the TOTAL DISBURSEMENT from all your accounts, including cash and excluding transfers, onto the line below. This is the number that will determine your quarterly fee payment. \$ \_\_\_\_\_

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

1. Depository Name & Location Huntington Bank - Court St Burton, MI

2. Account Number 01383421525

### 1. Depository Name & Location

## 2. Account Number

### 1. Depository Name & Location

## 2. Account Number

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.):

Date:

2/19/25

Debtor in Possession

Form 5

# MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending: 1/31/25

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: Matthew Ovadek

Capacity: X Shareholder  
       Officer  
       Director  
       Insider

Detailed Description of Duties: General Manager

<b>Current Compensation Paid:</b>	Weekly	or	Monthly
	<u>                    </u>		<u>\$5,000.00</u>

<b>Current Benefits Paid:</b>	Weekly	or	Monthly
	<u>                    </u>		<u>                    </u>
Health Insurance	<u>                    </u>		<u>\$1,146.50</u>
Life Insurance	<u>                    </u>		<u>                    </u>
Retirement	<u>                    </u>		<u>                    </u>
Company Vehicle	<u>                    </u>		<u>                    </u>
Entertainment	<u>                    </u>		<u>                    </u>
Travel	<u>                    </u>		<u>                    </u>
Other Benefits	<u>                    </u>		<u>\$37.50</u>
Total Benefits	<u>                    </u>		<u>                    </u>

<b>Current Other Payments Paid:</b>	Weekly	or	Monthly
	<u>                    </u>		<u>                    </u>
Rent Paid	<u>                    </u>		<u>                    </u>
Loans	<u>                    </u>		<u>                    </u>
Other (Describe)	<u>                    </u>		<u>                    </u>
Other (Describe)	<u>                    </u>		<u>                    </u>
Other (Describe)	<u>                    </u>		<u>                    </u>
Total Other Payments	<u>                    </u>		<u>                    </u>

<b>CURRENT TOTAL OF ALL PAYMENTS:</b>	Weekly	or	Monthly
	<u>                    </u>		<u>\$6,184.09</u>

Dated: 2/19/25

  
Principal, Officer, Director, or Insider

Form 6

## MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending: 1-31-25

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: Timothy Benson Capacity: ☒ Shareholder  
☐ Officer  
☐ Director  
☐ Insider

Detailed Description of Duties: clinical + office

Current Compensation Paid: Weekly \_\_\_\_\_ or Monthly 5000.00

Current Benefits Paid: Weekly \_\_\_\_\_ or Monthly \_\_\_\_\_

Health Insurance \_\_\_\_\_ 604.80

Life Insurance \_\_\_\_\_

Retirement \_\_\_\_\_

Company Vehicle \_\_\_\_\_

Entertainment \_\_\_\_\_

Travel \_\_\_\_\_

Other Benefits \_\_\_\_\_ 32.50

Total Benefits \_\_\_\_\_

Current Other Payments Paid: Weekly \_\_\_\_\_ or Monthly \_\_\_\_\_

Rent Paid \_\_\_\_\_

Loans \_\_\_\_\_

Other (Describe) \_\_\_\_\_

Other (Describe) \_\_\_\_\_

Other (Describe) \_\_\_\_\_

Total Other Payments \_\_\_\_\_

CURRENT TOTAL OF ALL PAYMENTS: Weekly \_\_\_\_\_ or Monthly 5642.23

Dated: 2/19/25

Matthew J. Quill  
 Principal, Officer, Director, or Insider

Form 6

SCHEDULE OF IN-FORCE INSURANCE

Period Ending: 1/31/25

Case No: 24-31912-jda

<u>INSURANCE TYPE</u>	<u>CARRIER</u>	<u>EXPIRATION DATE</u>
<u>Workers' Compensation</u>	<u>State Auto</u>	<u>8/1/25</u>
<u>General Business Policy</u>	<u>State Auto</u>	<u>8/1/25</u>
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Form 7